

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 428 - SB 561

February 9, 2017

SUMMARY OF BILL: Authorizes an insurance producer or insurance broker to charge a fee for services relating to an individual's purchase of an individual major medical policy if the insurer is not paying commission to the insurance producer and if such fee is based upon a qualified written agreement signed by the insured party in advance of the performance of the services under the agreement.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This bill will result in an increase in fee revenue for insurance producers licensed to do business in this state.
- According to the Department of Commerce and Insurance (TDCI), these fees will not be included in the rate filings required pursuant to Tenn. Code. Ann., Title 56; as a result, there will be no impact on premium tax revenue collected by TDCI pursuant to Tenn. Code Ann. § 56-4-205(a).
- The provisions of this bill can be enforced utilizing the existing resources of the Department of Commerce and Insurance.

IMPACT TO COMMERCE:

Increase Business Revenue – Exceeds \$1,000,000

Assumptions:

- Insurance producers will charge a fee to any individual seeking to purchase an individual major medical policy with the amount being subjective to each individual policy.

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- Insurance producers in this state will experience a recurring increase in business revenue reasonably estimated to exceed \$1,000,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb